

# Bailey Glasser Files Complaint on Behalf of Participants in World Travel Inc. ESOP

05.14.2021

Representing participants in the World Travel Inc. Employee Stock Ownership Plan (ESOP), Bailey Glasser has filed a class action complaint alleging that Prudent Fiduciary Services, LLC and its owner Miguel Paredes (PFS) violated the Employee Retirement Income Security Act (ERISA) when, as ESOP trustee, it caused the ESOP to engage in ERISA-prohibited transactions in a \$200 million purchase of World Travel stock. The trustee breached its fiduciary duties and saddled the ESOP with "tens of millions" of dollars in debt over a 45 year repayment period.

The complaint alleges that in 2017, as the trustee of the ESOP, PFS caused the ESOP to purchase 100% of the outstanding shares of World Travel common stock from the company's founders/directors, each of whom was a party in interest to the ESOP under ERISA. The lawsuit also alleges claims against three founders/directors for their participation in the prohibited transactions.

Discussing the complaint, BG Partner Gregory Y. Porter was quoted in Law360, "We look forward to vindicating our clients' claims and those of other participants in the World Travel ESOP. ESOP transactions are notorious for sticking employees and ESOPs with massive debt due to inflated transaction values."

The case is *Ahrendsen, et al. v. Prudent Fiduciary Services, LLC, et al.*, 2:21-cv-02157, and is pending in the US District Court for the Eastern District of Pennsylvania.

In addition to Gregory Y. Porter, BG partners Patricia Mulvoy Kipnis and Ryan T. Jenny represent the plaintiffs in this case.

## **Attorneys**

Ryan T. Jenny

Patricia Mulvoy Kipnis

Gregory Y. Porter

## **Practice Areas**

ERISA, Employee Benefits & Trust Litigation